

Medi-Cal Overpayments CalWORKs Overpayments CalFresh Overissuances

Health and Human Services Agency
Social Services Advisory Board
August 9, 2012

Agenda

- ▶ Medi-Cal Overpayments
- ▶ CalWORKs Overpayments
 - Collection processes
 - Methods
 - Rates
- ▶ CalFresh Overissuances
 - Collection processes
 - Methods
 - Rates
- ▶ Discontinued CalWORKs/CalFresh cases
- ▶ Reopened CalWORKs/CalFresh cases
- ▶ CalWORKs/CalFresh Intentional Program Violation

Medi-Cal Overpayments

- ▶ What is a potential overpayment?
 - Failure to report required information
- ▶ Who's liable for a potential overpayment?
 - The beneficiary
- ▶ Types of potential overpayment
 - Administrative Error
 - Client Error

California Department of Health Care Services

- ▶ Determines the overpayment based on usage when:
 - Potential overpayment equals or exceeds \$100, and total Medi-Cal **usage** is over \$100;
 - The beneficiary enrolled in a managed care plan

- ▶ Referrals are **not** made to when:
 - It is less than \$100
 - An Administrative Error
 - When a change is reported within 10 days of occurrence, but a 10-day notice was not sent by the county

CalWORKs Overpayments

- ▶ What is an overpayment?
 - An overpayment occurs when a household receives more CalWORKs benefits than it is entitled to receive
- ▶ Who is liable for an overpayment?
 - The adult recipient(s) when the overpayment occurred
- ▶ Types of overpayments:
 - Administrative Error
 - Client Caused Error
 - Intentional Program Violation

Overpayment Collections

State law and regulations require that all CalWORKs overpayments be collected.

Exceptions:

- ▶ The Administrative Error is less than \$35
- ▶ The overpayment is discharged by a court order
- ▶ The liable person in a closed case cannot be located
- ▶ The liable person in a closed case dies and county cannot collect from the deceased liable person's estate

Overpayment Collection Methods

- ▶ The household must be notified of:
 - Reason or type of overpayment
 - Correct grant amount for each month of overpayment
 - Total amount owed, and
 - How much will be taken out of each month's cash aid amount to collect the benefit
- ▶ Grant Adjustment
 - Reduction in current CalWORKs benefits
- ▶ Balancing
 - Offsetting overpayment and underpayment if both occurred in the same month

Collection Rates

- ▶ **Administrative Error (County)**
 - Collected at 5% of maximum grant amount for the family
- ▶ **Client Caused Error**
 - Collected at 10% of maximum grant amount for the family

CalFresh Overissuance

- ▶ What is an overissuance?
 - An overissuance occurs when a household receives more CalFresh benefits than entitled to

- ▶ Who is liable for an overissuance?
 - All persons who were adult members of the household when the overissuance occurred

- ▶ Types of overissuances:
 - Administrative Error
 - Inadvertent Household Error
 - Intentional Program Violation

Overissuance Collections

Federal and state regulations require that all overissuances be repaid.

Exceptions:

- ▶ Administrative Error overissuances of \$35 or less
- ▶ The three-year time frame to establish an overissuance has elapsed

Overissuance Collection Methods

▶ The household must be:

- Notified of the reason and amount of the overissuance
- Given the option to choose how to repay the overissuance by:
 - Lump sum payment either by cash (or check) or by paying from the EBT account; or
 - Monthly benefit (allotment) reduction; or
 - Installments either paying monthly cash (or check) payments or by collecting from their monthly CalFresh benefits (EBT account).

Collection Rates

- ▶ If the household chooses to pay the overissuance by benefit reduction, the household's CalFresh benefits will be reduced monthly:
 - Administrative Error claims—5% or \$10*
 - Inadvertent Household Error claims—10% or \$10*
 - Intentional Program Violation claims—20% or \$20*

*whichever is greater

Collection After CalWORKs/CalFresh Discontinues

- ▶ The County Office of Revenue and Recovery:
 - Continues collection activities after a CalWORKs/CalFresh case is discontinued with an outstanding overpayment/overissuance balance
 - Negotiates payments schedule if the household chooses

Collection After CalWORKs/CalFresh Discontinues (Cont.)

- ▶ When the liable person fails to respond to collection notices, Office of Revenue and Recovery may pursue:
 - Lottery offsets
 - Wage garnishments
 - Property Liens
 - Tax intercepts
 - Small claims court

CalWORKs/CalFresh Reopens

- ▶ The Office of Revenue and Recovery closes their collection account and forwards the balance to the Agency
- ▶ Agency updates the balance owed in the CalWORKs/CalFresh case
- ▶ CalWORKs/CalFresh Case continues the overpayment collection

CalWORKs/CalFresh Intentional Program Violation

- ▶ Intentional Program Violation overpayments and overissuances are only collected if:
 - Determined by a court of law
 - Determined by Administrative Disqualification Hearing
 - Established by signed Disqualification Consent Agreement in cases referred for prosecution

Questions

